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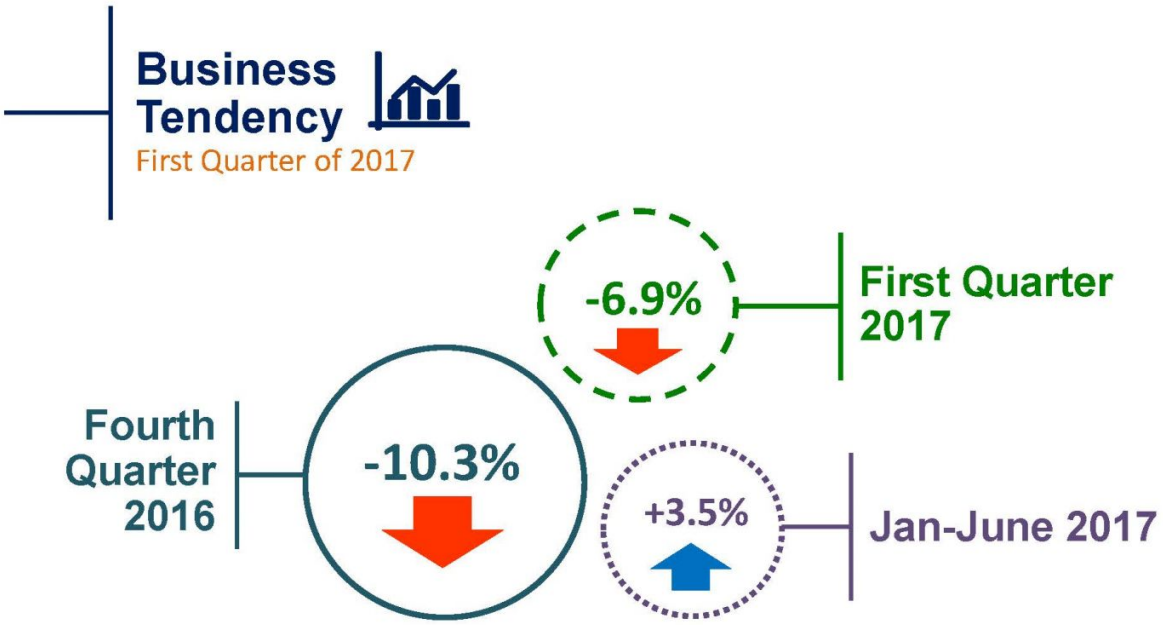
MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

BUSINESS TENDENCY STATISTICS FIRST QUARTER 2017

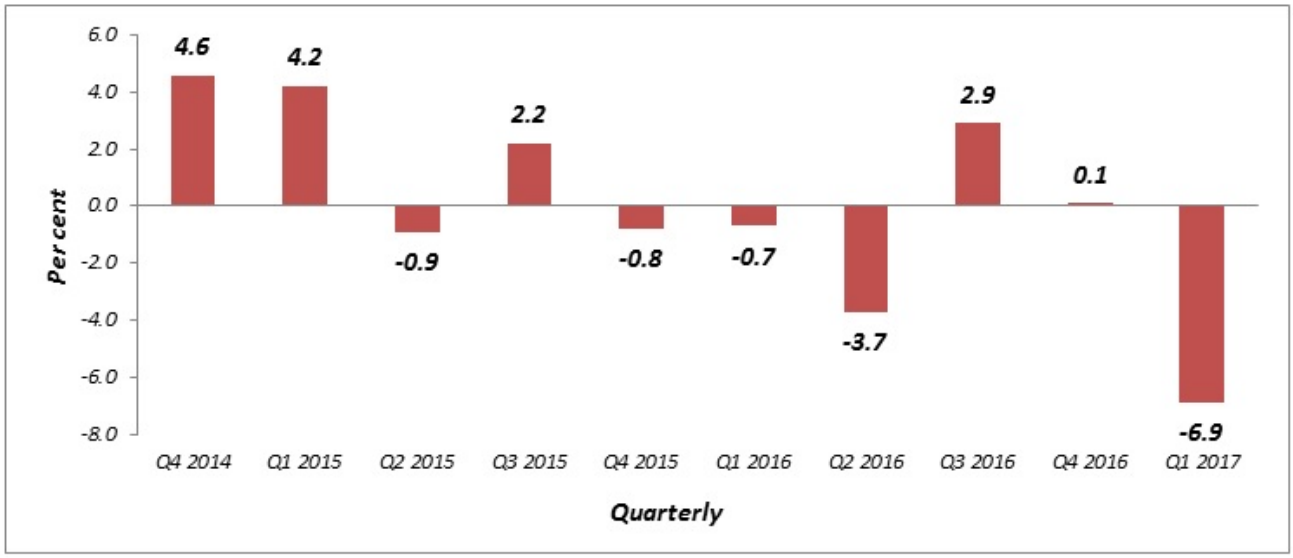


FORECAST OF BUSINESS PERFORMANCE FOR THE FIRST QUARTER 2017

The business performance in the first quarter of 2017 is expected to decrease as recorded by the confidence indicator of -6.9 per cent. (Chart I)

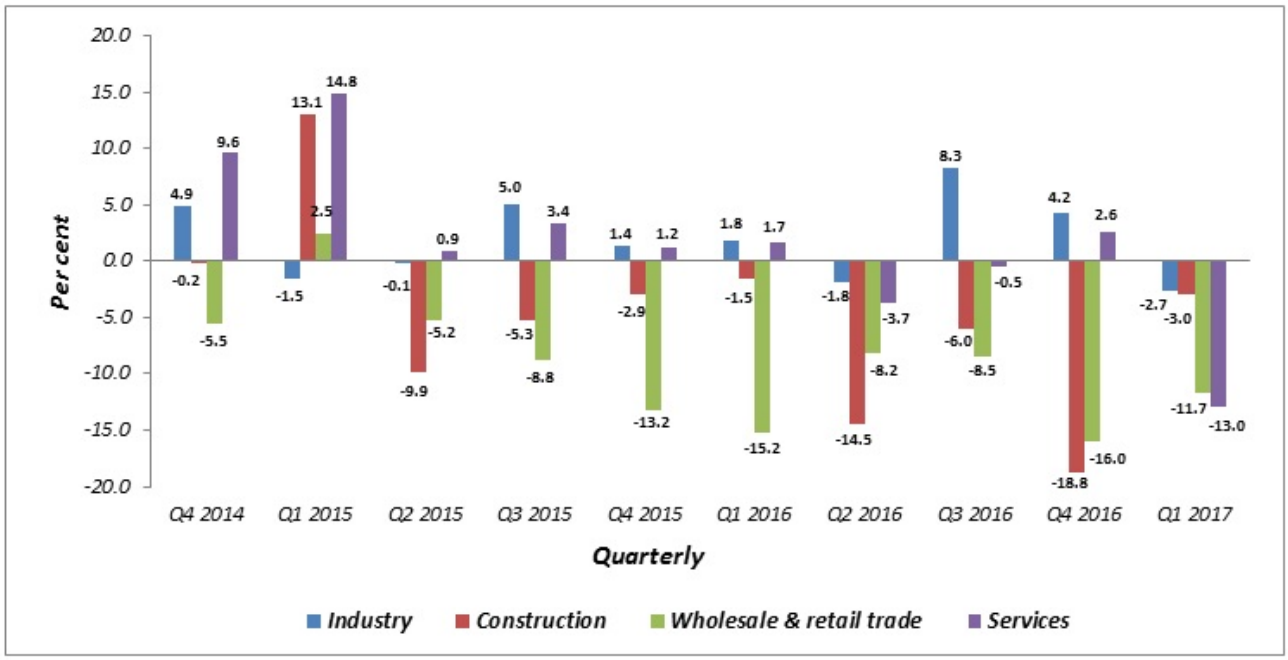
Confidence indicator is a short-term indicator which summarises the overall views of business situation in various sectors in Malaysia. The confidence indicator is computed as the average of the net balance for selected variables.

Chart I: Quarterly Confidence Indicator, Malaysia, 2014-2017



Respondents in all four sectors namely, industry, construction, wholesale & retail trade and services expect their business performances to decline in first quarter 2017 with confidence indicators of -2.7 per cent, -3.0 per cent, -11.7 per cent and -13.0 per cent respectively.

Chart II: Quarterly Confidence Indicator by Sector, Malaysia, 2014-2017



Forecast of Gross Revenue and Number of Employees

Forecast in the first quarter of 2017 showed 24.0 per cent of establishments covered in this survey expect an increase in gross revenue while 31.2 per cent of establishments foresee a decrease. Meanwhile, 44.8 per cent of establishments predict that the gross revenue will be unchanged.

The gross revenue in the first quarter of 2017 is expected to decline with a net balance of -7.2 per cent.

The difference between the percentages of establishments responded favourable and unfavourable response known as net balance.

In terms of number of employees, 16.3 per cent of establishments predict an increase while, 13.7 per cent of establishments predict a decrease in the first quarter of 2017. The magnitude of the positive net balance for the number of employees in the same quarter is lower, i.e. +2.7 per cent compared to +11.8 per cent registered in the fourth quarter of 2016.

Table 1: Expected of Net Balance Gross Revenue and Number of Employees, 2014-2017

Period		Gross Revenue (%)				Number of Employees (%)			
		Up	Same	Down	Net Balance	Up	Same	Down	Net Balance
2014	Q4	38.2	41.0	20.8	17.3	20.4	71.9	7.6	12.8
2015	Q1	34.5	39.3	26.2	8.5	18.0	72.8	9.2	8.8
	Q2	34.6	37.9	27.4	7.2	18.8	69.4	11.8	6.9
	Q3	35.2	43.4	21.4	13.9	18.0	74.3	7.7	10.3
	Q4	29.5	45.5	25.0	4.5	15.9	72.2	11.9	4.0
2016	Q1	29.9	39.6	30.5	-0.7	17.5	72.1	10.4	7.1
	Q2	33.3	44.9	21.9	11.4	16.0	72.2	11.8	4.2
	Q3	31.7	48.2	20.1	11.6	24.0	66.8	9.1	14.9
	Q4	29.0	49.3	21.7	7.3	21.9	68.0	10.1	11.8
2017	Q1	24.0	44.8	31.2	-7.2	16.3	70.0	13.7	2.7

CURRENT SITUATION OF BUSINESS PERFORMANCE IN THE FOURTH QUARTER 2016

The current situation of business performance in the fourth quarter 2016 is lower with an overall net balance of all sectors -10.3 per cent as compared to -5.8 per cent in the previous quarter. More than half of the establishments (64.3%) reported the current situation of their business to remain the same. Meanwhile, 12.7 per cent of establishments showed improvement in their business climate while 23.0 per cent of establishments showed less favourable conditions.

Chart III: Quarterly Net Balance of Current Situation Overall of All Sectors, Malaysia, 2014-2016

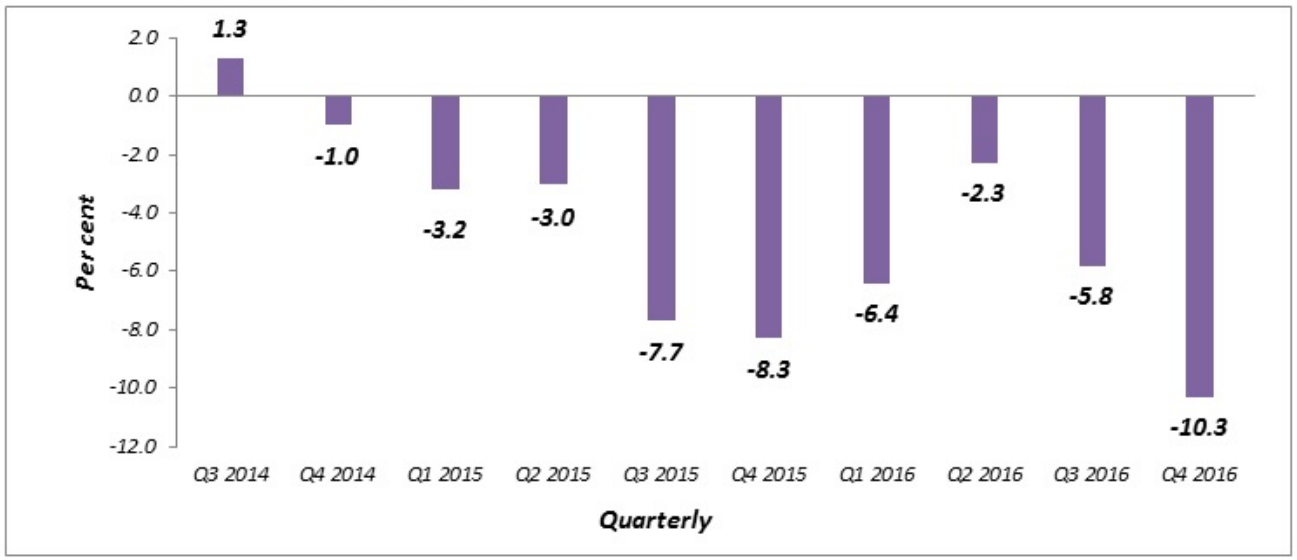


Table 2: Net Balance of Current Situation for Business Performance, 2014-2016

Period		Up (%)	Same (%)	Down (%)	Net Balance (%)
2014	Q3	19.9	61.5	18.6	1.3
	Q4	17.3	64.5	18.3	-1.0
2015	Q1	17.2	62.5	20.3	-3.2
	Q2	17.7	61.0	21.4	-3.0
	Q3	14.2	63.9	21.9	-7.7
	Q4	14.7	62.2	23.1	-8.3
2016	Q1	15.3	63.0	21.7	-6.4
	Q2	19.4	59.0	21.6	-2.3
	Q3	16.5	61.2	22.3	-5.8
	Q4	12.7	64.3	23.0	-10.3

Gross Revenue and Number of Employees

In the fourth quarter of 2016, the establishments reported that their gross revenue declined with a net balance of -3.4 per cent. The establishments which reported increases in their business gross revenue were 31.8 per cent. In contrast, 35.2 per cent of establishments reported deterioration. Meanwhile, 33.0 per cent of establishments have stated their business gross revenue remained the same.

In terms of number of employees, 17.6 per cent of establishments indicated an increase in employment, while 21.9 per cent of establishments reported a decrease. Meanwhile, 60.5 per cent of establishments remained the same. Overall, a net balance of -4.3 per cent for the number of employees was recorded in the fourth quarter of 2016 as compared to -2.3 per cent in the previous quarter.

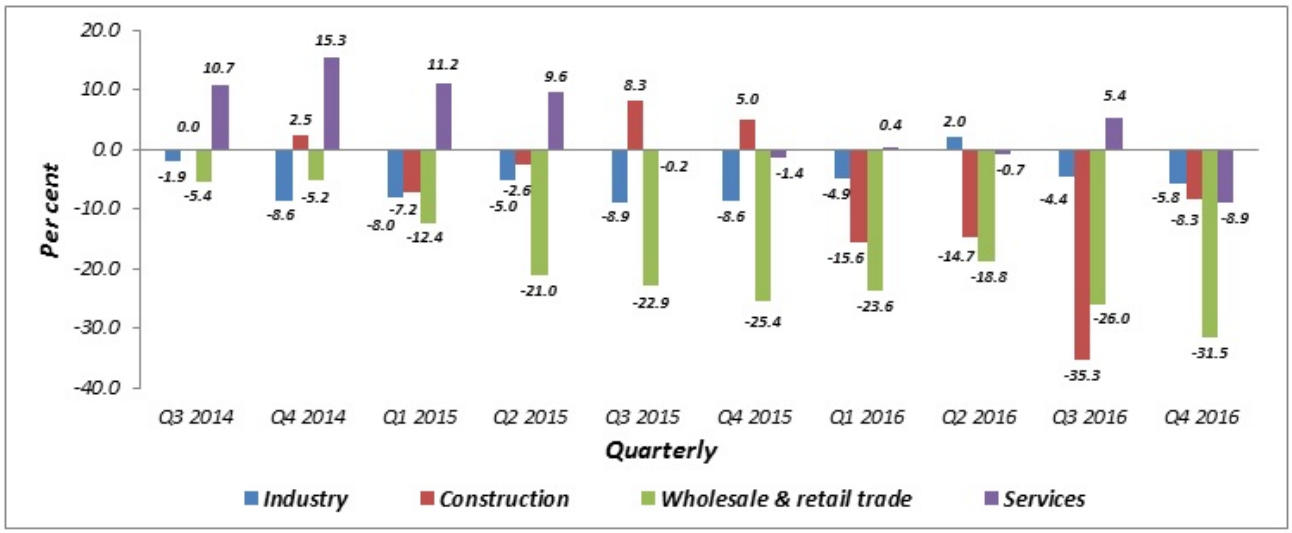
Table 3: Net Balance of Current Situation for Gross Revenue and Number of Employees, 2014-2016

Period		Gross Revenue (%)				Number of Employees (%)			
		Up	Same	Down	Net Balance	Up	Same	Down	Net Balance
2014	Q3	29.7	35.8	34.5	-4.9	21.0	63.3	15.7	5.4
	Q4	30.2	38.3	31.5	-1.3	18.9	66.3	14.8	4.1
2015	Q1	31.0	37.3	31.6	-0.6	17.4	64.4	18.2	-0.8
	Q2	32.9	36.2	30.9	2.0	20.3	63.2	16.5	3.8
	Q3	29.6	37.2	33.2	-3.6	17.4	63.7	18.9	-1.4
	Q4	32.4	36.7	30.9	1.5	19.1	63.9	17.0	2.0
2016	Q1	20.9	36.5	42.6	-21.7	19.4	61.6	19.0	0.3
	Q2	32.3	40.3	27.5	4.8	18.2	65.2	16.6	1.6
	Q3	28.4	39.7	31.9	-3.5	18.9	59.9	21.2	-2.3
	Q4	31.8	33.0	35.2	-3.4	17.6	60.5	21.9	-4.3

Net Balance of Current Situation by Sector

The current business situation for all sectors of industry, construction, wholesale & retail trade and services sector showed a deteriorated in the fourth quarter 2016 with a net balance of -5.8 per cent, -8.3 per cent, -31.5 per cent and -8.9 per cent respectively. (Chart IV)

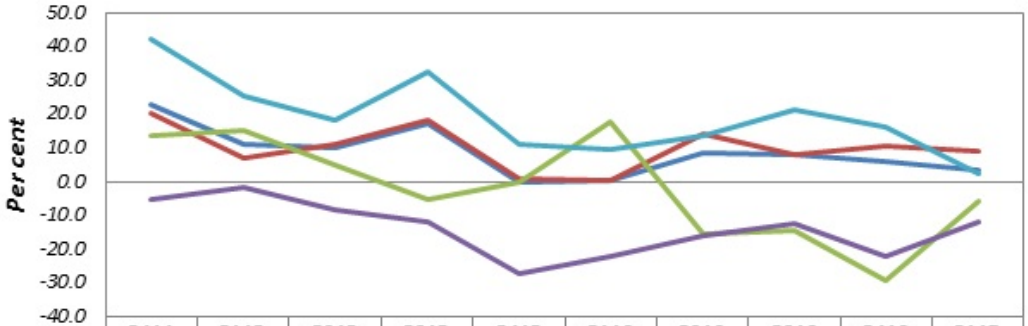
Chart IV: Quarterly Net Balance of Current Situation by Sector, Malaysia, 2014-2016



EXPECTATIONS OF BUSINESS PERFORMANCE JANUARY-JUNE 2017

The business performance in January to June 2017 is expected to improve with a net balance of +3.5 per cent. The industry and services sectors are expected to increase with the net balance of +8.8 per cent and +2.1 per cent respectively. On the other hand, the construction and wholesale & retail trade sectors are expected to decline with net balance of -5.6 per cent and -11.8 per cent respectively.

Chart V: Net Balance of Business Performance Expectation for Upcoming Six Month by Sector, Malaysia, 2014-2017



	Q414-Q115	Q115-Q215	Q215-Q315	Q315-Q415	Q415-Q116	Q116-Q216	Q216-Q316	Q316-Q416	Q416-Q117	Q117-Q217
All sectors	22.6	11.2	10.2	17.2	-0.2	0.5	8.6	7.9	6.0	3.5
Industry	20.1	7.1	11.2	18.2	0.8	0.2	13.9	7.9	10.5	8.8
Construction	13.5	15.0	4.8	-5.1	0.0	17.5	-15.6	-14.7	-29.4	-5.6
Wholesale & retail trade	-5.4	-1.8	-8.3	-12.1	-27.1	-21.9	-16.0	-12.5	-22.1	-11.8
Services	42.3	25.1	18.1	32.6	10.8	9.7	13.6	21.0	16.0	2.1

Released By:

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